

VII. FINANCIAL ELEMENT

The Financial Element

The third and final statutorily required planning element is the Financial Element. The Financial Element is fundamental to the development and implementation of the RTP. It identifies the current and anticipated revenue sources and financing techniques available to fund the planned transportation investments described in the Action Element. The intent of the Financial Element is to define realistic financing constraints and opportunities. With this financing information, alternatives are developed and used by state and local decision-makers in funding planned projects.

A. Financial Element Components

There are seven major components that constitute the Financial Element:

- 1 Summary of costs to operate and maintain the current transportation system,
- 2 Estimate of costs and revenues to implement the projects identified in the Action Element,
- 3 Inventory of existing and potential transportation funding sources,
- 4 List of candidate projects with available funding,
- 5 List of candidate projects if funding becomes available,
- 6 Potential funding shortfalls and,
- 7 Identification of alternative policy directions that affect the funding of projects.

Appendix D, page D-17, provides additional detail for developing the Financial Element.

B. Consistency Requirement

The RTP elements must be consistent within the plan and consistent with other transportation plans within the region (i.e. local, state, etc). Specific consistency requirements relating to the Financial Element include the following:

- The first four years identified in the Financial Element shall (Government Code 14525 as Per SB 45) be consistent with the four-year STIP Fund Estimate adopted by the CTC;
- The Goal, Policy and Objective statements shall (Government Code 65080 (b) (1)) be consistent with the Financial Element and;
- Projects included in the ITIP and RTIP shall (Government Code 14526(a)) be consistent with the RTP;

C. Funding Sources

There are a multitude of potential federal, State, local and private investment funding options available to finance transportation projects. A vast majority of these options require, as an initial first step, a Regional Transportation Plan that clearly articulates and adequately justifies the basis for funding the specific transportation project(s). Depending on the size of the program, the funding source, the agency administrating the program and the number of applicants, project funding approval may be relatively easy or may require major staff time, long lead times and many approval steps.

Both the availability of funds and the ability of the RTPA to secure these funds are major considerations in choosing transportation projects in the RTP. Appendix C provides a listing of potential federal, State, and local funding sources. However, caution should be exercised in relying on these sources. The RTPA should establish communication with the funding agency early in the planning process to assure the availability of funds and the requirements to apply and secure these funds.